

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re: ) Chapter 11  
 )  
DURACO PRODUCTS, INC., ) Case No. 08 - 31353  
 )  
Debtor. ) Hon. Eugene R. Wedoff

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**NOTICE OF MOTION**

To: See attached Service List

PLEASE TAKE NOTICE that on **Wednesday, April 22, 2009 at 10:00 a.m.** or as soon thereafter as counsel may be heard, we will appear before United States Bankruptcy Chief Judge Eugene R. Wedoff, or any other judge sitting in his stead, in Courtroom 744 of the Dirksen Federal Building, 219 S. Dearborn St., Chicago, Illinois, on the attached First Application of Arnstein & Lehr LLP for Interim Allowance of Compensation and Reimbursement for Expenses for Period December 1, 2008 through February 28, 2009 and Payment of Unpaid Balance, at which time and place you may appear as you see fit.

ARNSTEIN & LEHR, LLP

By: /s/ Miriam R. Stein  
One of his Attorneys

Michael L. Gesas (ARDC #06186924)  
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**CERTIFICATE OF SERVICE**

I, Miriam R. Stein, an attorney, certify that I caused a copy of this notice and the document referenced herein to be served on the to be served upon the individuals listed on the attached service list via deposit in U.S. Mail and to each person entitled to service in this case through the Court's Electronic Filing System on March 18, 2009.

By: /s/ Miriam R. Stein  
One of his Attorneys

**Service List**

Cameron D. Gulden  
Office of the U.S. Trustee  
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Kurt M. Carlson  
Colleen E. McManus  
Much Shelist et al.  
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Internal Revenue Service  
P.O. Box 21126  
Philadelphia, PA 19114

A Federated Corporation  
745 Dillon Drive  
Wood Dale, IL 60191

Bullett Freight Systems, Inc.  
721 E. Ball Road  
Anaheim, CA 92805

Conocophillips Company  
P.O. Box 88  
Bartlesville, OK 74005

IStern & Company  
c/o Bryan Sims  
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Naperville, IL 60540

Plaspros, Inc.  
1143 Ridgeview Drive  
McHenry, IL 60050

Franklin Capital Corporation  
c/o Scott N. Schreiber  
Shelly A. DeRouse  
Stahl Cowen Crowley Addis, LLC  
55 W. Monroe Street, Suite 1200  
Chicago, IL 60603

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Tax Division (DOJ)  
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Washington, DC 20044

Internal Revenue Service  
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Chicago, IL 60604

Advance Payroll  
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Central Freight Lines, Inc.  
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Entec Polymers, Inc.  
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John M. Licht, et al.  
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c/o William B. Thompson  
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Chase Equipment Leasing  
c/o David L. Kane  
Donald G. Mulack  
Meltzer Purtill & Stelle LLC  
300 S. Wacker Drive, Suite 3500  
Chicago, IL 60606

Freightdoc International, Inc.  
c/o Axelrod Goodman Steiner & Baz  
39 S. LaSalle Street, Suite 920  
Chicago, IL 60603

Matson Integrated Logistics  
c/o Michael D. Weis  
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Northbrook, IL 60065

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USF Holland, Inc.  
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412 S. Wells Street  
Whiskeytown, CA 96095

Welch Packaging Group, Inc.  
c/o Chad H. Gettleman  
Brad A. Berish  
Adelman & Gettleman, Ltd.  
53 W. Jackson Boulevard, Suite 1050  
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Home Depot USA, Inc.  
c/o Courtney E. Barr  
Locke Lord Bissell & Liddell LLP  
111 S. Wacker Drive  
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Stagg III Streamwood, LLC  
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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re: ) Chapter 11  
 )  
DURACO PRODUCTS, INC., ) Case No. 08 - 31353  
 )  
Debtor. ) Hon. Eugene R. Wedoff

**FIRST APPLICATION OF ARNSTEIN & LEHR LLP FOR  
INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT FOR  
EXPENSES FOR PERIOD DECEMBER 1, 2008 THROUGH  
FEBRUARY 28, 2009 AND PAYMENT OF UNPAID BALANCE**

Arnstein & Lehr LLP ("A&L"), counsel for Duraco Products, Inc. ("Debtor"), pursuant to 11 U.S.C. §§ 330 and 503(b)(2), applies to this Court for an entry of an order: (a) allowing as First Interim compensation the amount of \$164,805.75 for legal services rendered during the period December 1, 2008 through February 28, 2009 and reimbursement to A&L in the amount of \$4,224.85 in expenses; and (b) authorizing and directing the Debtor to pay the sum of \$16,480.58 to A&L representing a ten percent (10%) holdback of fees for the period December 1, 2008 through February 28, 2009. In support thereof, A&L respectfully states as follows:

**Introduction**

1. On November 18, 2008 (the "Petition Date"), the Debtor (by attorney Keevan Morgan) filed with this Court a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

2. This Court has jurisdiction over this application pursuant to 11 U.S.C. § 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On February 12, 2009, this Court entered an Administrative Order allowing for the payment of 90% of monthly fees and 100 % of expenses incurred upon a

submission of a monthly fee statement. Further, the Administrative Order states: "[a]pproximately every three (3) months, each of the Professionals, shall file with the Court and serve on the Notice Parties, an application for interim Court approval and allowance, pursuant to section 331 of the Bankruptcy Code, of the compensation and reimbursement of expenses requested for the prior three (3) Monthly Fee Statements, plus allowance and payment of the holdback fees. The first such application shall be filed on or before March 20, 2009 shall cover the period from the Petition Date through February 28, 2009."

**Retention of Arnstein & Lehr LLP**

4. On November 26, 2008, Keevan Morgan was permitted to withdraw as Debtor's counsel.

5. On November 26, 2008, Much Shelist Denenberg Ament & Rubenstein, P.C. ("Much Shelist") filed a motion for authority to use cash collateral and borrow money on a secured basis on behalf of the Debtor.

6. On December 1, 2008, Much Shelist filed a Motion to Withdraw as Attorney for the Debtor. On December 9, 2008, this Court entered an Order allowing the withdrawal of attorneys Louis D. Bernstein, Colleen E. McManus and their firm, Much Shelist Denenberg Ament & Rubenstein, P.C.

7. On December 30, 2008, this Court entered an order authorizing the Debtors to employ Arnstein & Lehr, LLP ("A&L") as their bankruptcy counsel in this case, retroactive to December 4, 2008.

**Interim Payments of Compensation and Reimbursement  
For Expenses Pursuant to the February 12, 2009 Administrative Order**

8. Pursuant to the February 12, 2009 Administrative Order establishing procedures for monthly provisional payments of fees and expenses to Debtor's

bankruptcy counsel, A&L requested and received (or shall receive as of the hearing on this Application) payment of 90% of its fees and 100% of its expenses for services and costs for the period December 1, 2008 through February 28, 2009, summarized as follows:

| <b>Monthly Statement of Fees &amp; Expenses</b> | <b>Total Fees</b>   | <b>90% of Fees Requested</b> | <b>10% Fee holdback</b> | <b>Fees Paid</b>   | <b>Fees Unpaid</b>   |
|---|---------------------|------------------------------|-------------------------|--|--|
| December '08                                    | \$28,809.25         | \$25,928.33                  | \$2,880.93              | \$25,928.33  | \$2,880.93   |
| January '09                                     | \$87,216.50         | \$78,494.85                  | \$8,721.65              | \$78,494.85  | \$8,721.65   |
| February '09                                    | \$48,780.00         | \$43,902.00                  | \$4,878.00              | February Monthly Statement circulated on 3/10/09. Deadline for parities to object is 3/20/09 | \$48,780.00 (as of the date of the filing of this Application)                       |
| <b>Totals:</b>                                  | <b>\$164,805.75</b> | <b>\$148,325.18</b>          | <b>\$16,480.58</b>      | <b>\$104,423.18 + \$43,902.00 pending</b>  | <b>\$16,480.58 (+43,902.00 if not paid prior to the hearing on this Application)</b> |

| <b>Period</b>       | <b>Expenses Requested</b> | <b>Expenses Paid</b> | <b>Expenses Unpaid</b> |
|---------------------|---------------------------|----------------------|------------------------|
| 12/01/08 - 12/31/08 | \$155.60                  | \$155.60             | \$0.00                 |
| 01/01/09 - 01/31/09 | 4069.25 <sup>1</sup>      | \$4,069.25           | \$0.00                 |
| 02/01/09 - 02/28/09 | \$0.00 <sup>2</sup>       | \$0.00               | \$0.00                 |
| <b>TOTALS</b>       | <b>\$4,224.85</b>         | <b>\$4,224.85</b>    | <b>\$0.00</b>          |

<sup>1</sup> Inadvertent overcharge of \$496.70 in copying expenses (4967 pages @ .20/copy = \$933.40, which should have been charged at .10/copy - \$496.70). This was carried as a credit of \$496.70 and applied to February Expenses of \$450.05, with remaining credit of \$46.65 to be applied to March expenses).

<sup>2</sup> As per footnote 1 above, the February expenses of \$450.05 were written off as credit applied due to an overcharge of \$496.70 for copy charges in January, with the remaining credit of \$46.65 to be applied to March expenses.

### Narrative Summary of Services

9. A narrative summary of the services rendered by A&L during the period December 1, 2008 through February 28, 2009 is set forth below. Itemized and detailed

descriptions of the specific services rendered by A&L to the Debtors during this period are reflected on the billing statements attached hereto as Group Exhibit A. The billing statements set forth the name of each attorney or paralegal, the amount of time expended rendering each service, the date on which each service was rendered, a description of the service rendered and the total number of hours of services rendered by each attorney or paralegal in each category.

10. The services rendered by A&L during the period December 1, 2008 through, February 28, 2009 have been segregated into thirteen (13) categories as follows: (A) Restructuring; (B) Case Administration; (C) Schedules / Statement of Affairs; (D) Employment of Professionals; (E) Financing; (F) Sale of Assets; (G) Relief of Stay Issues; (H) Meeting of Creditors; (I) Plan / Disclosure Statement; (J) Claims Adm / Creditor Issues; (K) Fee Petition; (L) Tax Issues; and (M) Litigation. The time expended in each of the billing categories is set forth below, and is summaries as follows:

| <u>Attorney / Professional</u> | <u>Specialty</u> | <u>Hours</u> | <u>Hourly Rate (December '08)</u> | <u>Hourly Rate (January &amp; February '09)</u> |
|--------------------------------|------------------|--------------|-----------------------------------|---|
| Adam S. Fayne ("ASF")          | Tax              | 14.55        | \$265                             | \$290   |
| Andrea L. Siskovic ("ALS")     | Corporate        | 0.20         | n/a                               | \$280   |
| Barry A. Chatz ("BAC")         | Bankruptcy       | 3.50         | \$550                             | \$565   |
| Becky L. Sutton ("BLS")        | Paralegal        | 99.30        | \$210                             | \$215   |
| George A. Apostolides ("GPA")  | Litigation       | 28.80        | \$385                             | \$405   |
| James A. Chatz ("JAC")         | Bankruptcy       | 0.50         | n/a                               | \$580   |
| John C. Fuller ("JCF")         | Paralegal        | 14.20        | n/a                               | \$225   |
| Jonathon B. Knisely ("JBK")    | Litigation       | 17.60        | n/a                               | \$255   |
| Kevin H. Morse ("KHM")         | Bankruptcy       | 22.40        | n/a                               | \$255   |
| Meghan A. Dwyer ("MAD")        | Litigation       | 15.20        | n/a                               | \$255   |
| Michael L. Gesas ("MLG")       | Bankruptcy       | 108.20       | \$550                             | \$550   |
| Miriam A. Stein ("MRS")        | Bankruptcy       | 97.60        | \$410                             | \$430   |
| Thad A. Felton ("TAF")         | Litigation       | 9.30         | n/a                               | \$420   |
| Thomas P. Yardley ("TPY")      | Litigation       | 8.40         | n/a                               | \$380   |

12. The hourly rates listed above are customary and reasonable and are the same hourly rates charged to A&L's non-bankruptcy clients for various other matters.

13. The fees sought by A&L in each of the aforesaid billing categories are summarized as follows:

| <u>EXHIBIT</u> | <u>TITLE OF CATEGORY</u>         | <u>AMOUNT SOUGHT</u>   |
|----------------|----------------------------------|------------------------|
| A              | Restructuring                    | \$3,151.00             |
| B              | Case Administration              | \$50,029.00            |
| C              | Schedules / Statement of Affairs | \$14,949.25            |
| D              | Employment of Professionals      | \$4,210.00             |
| E              | Financing                        | \$11,868.00            |
| F              | Sale of Assets                   | \$600.00               |
| G              | Relief of Stay Issues            | \$6,757.50             |
| H              | Meeting of Creditors             | \$10,134.00            |
| I              | Plan / Disclosure Statement      | \$3,766.00             |
| J              | Claims Adm / Creditor Issues     | \$9,336.50             |
| K              | Fee Petition                     | \$5,561.00             |
| L              | Tax Issues                       | \$707.00               |
| M              | Litigation                       | \$43,736.50            |
|                | <b>TOTAL FEES</b>                | <b>\$164,805.75</b>    |
| N              | Expenses                         | \$4224.85 <sup>1</sup> |

<sup>1</sup> The January Statement of Fees & Expenses contained an inadvertent overcharge of \$496.70 in copying expenses (4967 pages @ .20/copy = \$933.40, which should have been charged at .10/copy = \$496.70). This was carried as a credit of \$496.70 and applied to February Expenses of \$450.05 (thus creating a 0 expense for February), with remaining credit of \$46.65 to be applied to March expenses).

14. There has been no duplication of services, either by partners or associates of A&L. When two or more attorneys participated in any activity, such joint participation was necessary as a result of either the complexity of the problems involved

or the need to familiarize each attorney with the matters at issue so that each attorney could perform further necessary work.

15. The tasks performed by A&L in each of the listed categories and expenses incurred by A&L are set forth in the attached exhibits and are summarized as follows:

EXHIBIT A – Restructuring: This category includes time reviewing the issues with Franklin Capital, researching medical insurance obligations, drafting the motion for the new lease and moving expenses, and drafting the motion to extend the payment order relating to the Chase equipment. A&L spent 11.20 hours of attorney time (MLG: 1.0; KHM: 10.20) on the foregoing services, as is more fully described in Exhibit A. Said services have a value of \$3,151.00 for which A&L is seeking compensation.

| Restructuring              |                 |              |                            |
|----------------------------|-----------------|--------------|----------------------------|
| <u>Professional</u>        | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| MLG                        | Partner         | 1.00         | \$550.00                   |
| KHM                        | Associate       | 10.20        | \$2,601.00                 |
| <b>Total (matter 0001)</b> |                 | <b>11.20</b> | <b>\$3,151.00</b>          |

EXHIBIT B – General Case Administration: This category includes the following: attendance at court hearings relating to continued cash collateral, utility orders, fee procedures, Chase equipment order, and all general court motions; communications and meetings with Debtors and Blue Cross / Blue Shield regarding the BCBS policy, settlement, and continuation of health care coverage; communications with Debtors and utilities regarding the Extol and ComEd issues; preparation of Schedules and issues relating to STAG; meeting with Loeb Equipment regarding removal of their equipment; communications with BLN equipment, and the preparation of monthly operating reports. A&L spent 127.20 hours of attorney and paralegal time (ASF: 3.40; ALS: .20; BAC: 1.70; BLS: 45.50; MLG: 45.60 and MRS: 30.80 hours) on the foregoing services, as is more fully described in Exhibit B. Said services have a value of \$50,029.00 for which A&L is seeking compensation.

| Case Administration        |                 |               |                            |
|----------------------------|-----------------|---------------|----------------------------|
| <u>Professional</u>        | <u>Position</u> | <u>Hours</u>  | <u>Compensation Sought</u> |
| ASF                        | Associate       | 3.40          | \$986.00                   |
| ALS                        | Associate       | 0.20          | \$56.00                    |
| BAC                        | Partner         | 1.70          | \$953.00                   |
| BLS                        | Paralegal       | 45.50         | \$9,768.00                 |
| MLG                        | Partner         | 45.60         | \$25,080.00                |
| MRS                        | Partner         | 30.80         | \$13,186.00                |
| <b>Total (matter 0003)</b> |                 | <b>127.20</b> | <b>\$50,029.00</b>         |

EXHIBIT C – Schedules and Statement of Financial Affairs: This category includes time reviewing documents, preparing and filing the Debtors' schedules and statement of financial affairs. A&L spent 54.15 hours of attorney and paralegal time (ASF: .75; BLS: 39.60; MLG: 2.70 and MRS: 11.10) on the foregoing services, as is more fully described in Exhibit C. Said services have a value of \$14,949.25 for which A&L is seeking compensation.

| Schedules & Statement of Financial Affairs |                 |              |                            |
|--|-----------------|--------------|----------------------------|
| <u>Professional</u>                        | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| ASF  | Associate       | 0.75         | \$198.75                   |
| BLS  | Paralegal       | 39.60        | \$8,502.50                 |
| MLG  | Partner         | 2.70         | \$1,485.00                 |
| MRS  | Partner         | 11.10        | \$4,763.00                 |
| <b>Total (matter 0004)</b>                 |                 | <b>54.15</b> | <b>\$14,949.25</b>         |

EXHIBIT D – Employment of Professionals: This category includes the following: drafting a motion to employ A&L; communications with Scott Schreiber and the client relating to issues involving the substitution and retainer / carve-out; drafting of the fee procedures motion and communications with the U.S. Trustee regarding fee procedure objections. A&L spent 9.0 hours of attorney time (BAC: .90; MLG: 2.70 and MRS: 5.40) on the foregoing services, as is more fully described in Exhibit D. Said services have a value of \$4,210.00 for which A&L is seeking compensation.

| Employment of Professionals |                 |              |                            |
|-----------------------------|-----------------|--------------|----------------------------|
| <u>Professional</u>         | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| BAC                         | Partner         | 0.90         | \$495.00                   |
| MLG                         | Partner         | 2.70         | \$1,485.00                 |
| MRS                         | Partner         | 5.40         | \$2,230.00                 |
| <b>Total (matter 0005)</b>  |                 | <b>9.00</b>  | <b>\$4,210.00</b>          |

EXHIBIT E – Financing: This category includes time spent developing a restructuring plan and strategy for financing, communications with Debtor's secured lender and prospective new lender, drafting orders regarding use of cash collateral, attendance at hearings on use of cash collateral, and other and further services relating to financing issues, including all work relating to the negotiation of and approval of the DIP Loan. A&L spent 23.90 hours of attorney time (ASF: 1.20; BAC: .70; MLG: 14.00, and MRS: 8.00 hours) on the foregoing services, as is more fully described in Exhibit E. Said services have a value of \$11,868.00 for which A&L is seeking compensation.

| Financing                  |                 |              |                            |
|----------------------------|-----------------|--------------|----------------------------|
| <u>Professional</u>        | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| ASF                        | Associate       | 1.20         | \$348.00                   |
| BAC                        | Partner         | 0.70         | \$388.00                   |
| MLG                        | Partner         | 14.00        | \$7,700.00                 |
| MRS                        | Partner         | 8.00         | \$3,432.00                 |
| <b>Total (matter 0006)</b> |                 | <b>23.90</b> | <b>\$11,868.00</b>         |

EXHIBIT F – Sale of Assets: This category includes all work relating to Franklin Capital issues and the Mexico pledge dispute. A&L spent 1.2 hours of attorney time (MLG: .70 and MRS: .50 hours) on the foregoing services, as is more fully described in Exhibit F. Said services have a value of \$600.00 for which A&L is seeking compensation.

| Sale of Assets             |                 |              |                            |
|----------------------------|-----------------|--------------|----------------------------|
| <u>Professional</u>        | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| MLG                        | Partner         | 0.70         | \$385.00                   |
| MRS                        | Partner         | 0.50         | \$215.00                   |
| <b>Total (matter 0007)</b> |                 | <b>1.20</b>  | <b>\$600.00</b>            |

EXHIBIT G: - Relief of Stay Issues: This category includes time spent reviewing motions to modify the stay and attending court hearings. A&L spent 13.60 hours of attorney time (ASF: .50; GPA: 1.60; MLG: 9.0 and MRS: 2.50) on the foregoing services, as is more fully described in Exhibit G. Said services have a value of \$6,757.50, for which A&L is seeking compensation.

| Relief of Stay Issues      |                 |              |                            |
|----------------------------|-----------------|--------------|----------------------------|
| <u>Professional</u>        | <u>Position</u> | <u>Hours</u> | <u>Compensation Sought</u> |
| ASF                        | Associate       | 0.50         | \$132.50                   |
| GPA                        | Partner         | 1.60         | \$616.00                   |
| MLG                        | Partner         | 9.00         | \$4,950.00                 |
| MRS                        | Partner         | 2.50         | \$1,059.00                 |
| <b>Total (matter 0008)</b> |                 | <b>13.60</b> | <b>\$6,757.50</b>          |

EXHIBIT H – Meeting of Creditors: This category includes representing the Debtor at meetings and in communications with the creditors' committee concerning the administration of the case. A&L spent 21.20 hours of attorney and paralegal time (BLS: 2.50; MLG: 13.10 and MRS 5.60) on the foregoing services, as is more fully described in Exhibit H. Said services have a value of \$10,134.00, for which A&L is seeking compensation.

| Meeting of Creditors       |           |              |                     |
|----------------------------|-----------|--------------|---------------------|
| Professional               | Position  | Hours        | Compensation Sought |
| BLS                        | Paralegal | 2.50         | \$525.00            |
| MLG                        | Partner   | 13.10        | \$7,205.00          |
| MRS                        | Partner   | 5.60         | \$2,404.00          |
| <b>Total (matter 0009)</b> |           | <b>21.20</b> | <b>\$10,134.00</b>  |

EXHIBIT I – Plan of Reorganization and Disclosure Statement: This category includes developing a strategy to restructure the Debtor's operations. A&L spent 10.20 hours of attorney time (ASF: .50; KHM: 4.60; JAC: .50; MLG: 1.50 and MRS: 3.10 hours) on the foregoing services, as is more fully described in Exhibit I. Said services have a value of \$3,766.00 for which A&L is seeking compensation.

| Plan of Reorganization and Disclosure Statement |           |              |                     |
|---|-----------|--------------|---------------------|
| Professional                                    | Position  | Hours        | Compensation Sought |
| ASF   | Associate | 0.50         | \$145.00            |
| KHM   | Associate | 4.60         | \$1,173.00          |
| JAC   | Partner   | 0.50         | \$290.00            |
| MLG   | Partner   | 1.50         | \$825.00            |
| MRS   | Partner   | 3.10         | \$1,333.00          |
| <b>Totals (matter 0010)</b>                     |           | <b>10.20</b> | <b>\$3,766.00</b>   |

Exhibit J – Claims Administration / Creditor Issues: This category includes all communications with various creditors relating to the filing of the Debtor's petition. This category also includes issues relating to the utilities and ComEd as well as lease and landlord issues with Chase. A&L spent 26.40 hours of attorney and paralegal time (ASF: 1.0; BLS: 7.50; KHM: 4.10; MLG: 4.50 and MRS: 9.30) on the foregoing services, as is more fully described in Exhibit J. Said services have a value of \$9,336.50, for which A&L seeks compensation.

| Claims Adm / Creditor Issues |           |              |                     |
|------------------------------|-----------|--------------|---------------------|
| Professional                 | Position  | Hours        | Compensation Sought |
| ASF                          | Associate | 1.00         | \$290.00            |
| BLS                          | Paralegal | 7.50         | \$1,605.00          |
| KHM                          | Associate | 4.10         | \$1,045.50          |
| MLG                          | Partner   | 4.50         | \$2,475.00          |
| MRS                          | Partner   | 9.30         | \$3,921.00          |
| <b>Total (matter 0011)</b>   |           | <b>26.40</b> | <b>\$9,336.50</b>   |

EXHIBIT K – Fee Petition: This category includes preliminary work on drafting and filing the December 2008, January 2009 and February 2009 Monthly Statements of Fees & Expenses, as well as drafting the February 12, 2009 fee procedures Order. A&L spent 22.10 hours of attorney and paralegal time (ASF: 2.30; BLS: 3.20; JCF: 14.20; MLG: .70; KHM: .60 and MRS: 1.10 hours) on the

foregoing services, as is more fully described in Exhibit K. Said services have a value of \$5,561.00, for which A&L is seeking compensation.

| Fee Petition                   |                 |              |                            |
|--------------------------------|-----------------|--------------|----------------------------|
| <b>Professional</b>            | <b>Position</b> | <b>Hours</b> | <b>Compensation Sought</b> |
| ASF                            | Associate       | 2.30         | \$667.00                   |
| B LS                           | Paralegal       | 3.20         | \$688.00                   |
| JCF                            | Paralegal       | 14.20        | \$3,195.00                 |
| MLG                            | Partner         | 0.70         | \$385.00                   |
| KHM                            | Associate       | 0.60         | \$153.00                   |
| MRS                            | Partner         | 1.10         | \$473.00                   |
| <b>Total<br/>(matter 0012)</b> |                 | <b>22.10</b> | <b>\$5,561.00</b>          |

**EXHIBIT L – Tax Issues:** This category includes time negotiating with the Debtor's various taxing authorities. A&L spent 1.90 hours of attorney and paralegal time (ASF: 1.30 and MLG: .60) on the foregoing services, as is more fully described in Exhibit L. Said services have a value of \$707.00 for which A&L is seeking compensation.

| Tax Issues                     |                 |              |                            |
|--------------------------------|-----------------|--------------|----------------------------|
| <b>Professional</b>            | <b>Position</b> | <b>Hours</b> | <b>Compensation Sought</b> |
| ASF                            | Associate       | 1.30         | \$377.00                   |
| MLG                            | Partner         | 0.60         | \$330.00                   |
| <b>Total<br/>(matter 0013)</b> |                 | <b>1.90</b>  | <b>\$707.00</b>            |

**EXHIBIT M – Litigation:** This category includes all time spent relating to litigation matters including the following: review of the pre-petition suit, HMS lawsuit and debtor's counter-claim; attention to turn-over issues with the freight carriers and drafting of letters demanding the carriers cease and desist their collection action and turnover of debtor's property; drafting of adversary complaints relating to violation of stay and preliminary injunction; discussions with Stag regarding access to the premises; preparation for trial on Stag Streamwood III's motion to modify stay and negotiation of settlement with Stag III Streamwood. A&L expended 117.70 hours of attorney and paralegal time (ASF: 3.60; BAC: .20; BLS: 1.0; GPA: 27.20; JBK: 17.60; KHM: 2.90; MAD: 15.20; MRS: 20.20; MLG: 12.10; TAF: 9.30; and TPY: 8.40 hours) on the foregoing services, as is more fully described in Exhibit M.. Said services have a value of \$43,736.50 for which A&L is seeking compensation.

| Matter 0014                    |                 |               |                            |
|--------------------------------|-----------------|---------------|----------------------------|
| <b>Professional</b>            | <b>Position</b> | <b>Hours</b>  | <b>Compensation Sought</b> |
| ASF                            | Associate       | 3.60          | \$994.00                   |
| BAC                            | Partner         | 0.20          | \$113.00                   |
| BLS                            | Paralegal       | 1.00          | \$215.00                   |
| GPA                            | Partner         | 27.20         | \$11,016.00                |
| JBK                            | Associate       | 17.60         | \$4,488.00                 |
| KHM                            | Associate       | 2.90          | \$739.50                   |
| MAD                            | Associate       | 15.20         | \$3,876.00                 |
| MRS                            | Partner         | 20.20         | \$8,542.00                 |
| MLG                            | Partner         | 12.10         | \$6,655.00                 |
| TAF                            | Partner         | 9.30          | \$3,906.00                 |
| TPY                            | Partner         | 8.40          | \$3,192.00                 |
| <b>Total<br/>(matter 0014)</b> |                 | <b>117.70</b> | <b>\$43,736.50</b>         |

Exhibit N – Expenses: Exhibit N lists expenses, such as copying costs at 10¢ per page, long distance costs relating to facsimile transmittals and phone calls and overnight delivery charges. A&L has voluntarily reduced its copying charges from \$.20 per page to \$.10 per page, and has eliminated the cost of sending and receiving faxes (except for the long distance portion of outgoing faxes). A&L noticed that the January Statement of Fees & Expenses contained an inadvertent overcharge of \$496.70 in copying expenses (4967 pages @ .20/copy = \$933.40, which should have been charged at .10/copy = \$496.70). This mistake resulted in A&L charging \$4,069.25 for January expenses, when it should only have charged \$3,573.05. This overcharge was carried as a credit of \$496.70 and applied to February Expenses of \$450.05 (thus creating a 0 expense for February), with remaining credit of \$46.65 to be applied to March expenses). A&L seeks \$4,224.85 in expenses.

16. A&L respectfully submits that the fees and expense reimbursement sought herein are reasonable given the nature, extent and value of the services rendered, the quality and skill which the situation required, and the costs of comparable services in other cases under Chapter 11, and that time has been fairly and properly expended.

17. Pursuant to the Court's February 12, 2009 Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals pursuant to Sections 105(a) and 331 of the Code, A&L has submitted monthly fee statements to the Debtor. The Administrative Order allowed for payment of 90% of monthly fees and 100% of expenses incurred upon a submission of a monthly

fee statement. The Administrative Order further states that the applicant shall file an application for interim Court approval and allowance of the compensation and reimbursement of expenses requested for the prior three (3) monthly fee statements plus allowance and payment of the holdback fees.

18. A&L expended a total of 439.75 hours for the services described above. The total value of the services and the allowance of compensation requested for those services is \$164,805.75.

19. A&L submitted monthly fee statements to the Debtor for the months of December 2008, January and February 2009. The sum total of the three fee statements was \$148,325.18 in fees and \$4,224.85 in expenses. A&L has received payments from the Debtor totaling \$104,423.18 (constituting 90% of December '08 and January '09 fees). A&L anticipates that it will receive prior to the hearing on this Application an additional \$43,902.00 (constituting 90% of February '09 fees).

20. Based on the hourly charges of A&L set forth above, A&L requests that the Court determine and allow it \$164,085.75 as compensation and \$4,224.85 for the reimbursement of reasonable out-of-pocket expenses pursuant to Section 330 and 331 of the Bankruptcy Code, and authorize the Debtor to pay the 10% holdback from the prior fee statements as outlined above.

WHEREFORE, Michael L. Gesas, Miriam R. Stein and the firm of Arnstein & Lehr LLP, respectfully request that the Court enter an Order:

A. Awarding it \$164,085.75 as first interim compensation and \$4,224.85 in reimbursement of expenses as set forth herein pursuant to Bankruptcy Code Section 330 and 331;

B. Directing the Debtor to pay A&L the amount awarded less the amount previously paid to A&L pursuant to the monthly fee statements, and

C. Granting such other and further relief as the Court deems just and proper.

ARNSTEIN & LEHR LLP

By: /s/ Michael L. Gesas  
One of its Attorneys

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